REMARKS

Claims 26-27, 29-30 and 34-35 were pending in the application following the last entered amendment (filed December 8, 2009). Herein, Applicant has amended claims 26-27, 29 and 34 and added claims 36-49, which more clearly define the novel aspects of the claims. Claims 26, 27, 29 and 34 are independent claims. Applicant respectfully submits that the claims as set forth herein are not obvious in view of the prior art upon which the Examiner relies. The claims as presented are allowable and reconsideration and allowance is respectfully requested.

CLAIM REJECTIONS

Rejections Under 35 USC § 103

The Examiner rejected previously-pending claims 26, 27, 29, 30, 34 and 35 under 35 U.S.C. 103(a) as being unpatentable over **Billington et al.** (US 6,390,269) in view of **Gerlier** (US 5,076,441).

Claims 26, 27, 39 and 34 are directed to storing only pre-selected characteristic notes within the note hopper, and storing at least notes other than pre-selected characteristic notes within the note box. As noted within the specification, received and authenticated notes may be classified by type (e.g., script or currency), denomination, and condition (e.g., whether the note is worn). Thus, for example, only currency notes of a selected denomination (e.g., $20) are stored in the note hopper, with notes of other types and/or denomination being stored in the note box. Such a feature is not found in the cited reference. **Billington et al** contains no teaching of differentiating notes in directing notes to either of bill stacker 105 or bill escrow and payout unit 115. Similarly **Gerlier** contains no teaching of storing only pre-selected characteristic notes in one of tills 9 and 10, but instead stores all notes of any denomination or national origin in either till.

Claim 27 also recites that up to a selected number of notes is stored in the note hopper. Once the maximum number is met, notes – even pre-selected characteristic notes – are directed to the note box. Such a feature is not found in the cited reference.

Claims 26, 27, 39 and 34 further recite that the note acceptor-dispenser validator system determines the combination of notes and coins that is dispensed as changed. Such a feature is not found in the cited references. Although the Office Action infers the existence of such a feature in **Billington et al**, in fact **Billington et al** teaches at column 6, line 60 to column 7, line

28 that (coin) changer 110 accumulates credit for currency inserted into any bill validator or similar device connected to changer 110, and that microcontroller 400 within changer 110 determines what combination of currency is dispensed as change. Accordingly, the recited claim feature is not inherent to **Billington et al** as asserted in the Office Action.

In view of the above amendments and remarks, applicants respectfully request that the application be reconsidered and allowed, and that an early indication thereof be provided.

Please charge any deficiency in fees or credit any overpayments to Deposit Account No. 07-1896.

Respectfully submitted,

Dated: June 15, 2010   /David B. Abel/

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